



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF PLANNING, EVALUATION AND POLICY DEVELOPMENT

**FEB - 1 2011**

Gil Kerlikowske  
Director  
Office of National Drug Control Policy  
Executive Office of the President  
Washington, D.C. 20500

Dear Mr. Kerlikowske:

In accordance with section 705(d) of the Office of National Drug Control Policy (ONDCP) Reauthorization Act of 1998 (21 U.S.C. 1704(d)), enclosed please find a detailed accounting of all fiscal year 2010 Department of Education drug control funds, along with the Department of Education Assistant Inspector General's authentication of this accounting, consistent with the instructions in ONDCP Circular *Drug Control Accounting*, dated May 1, 2007.

Please do not hesitate to contact me if you have any questions about this information.

Sincerely,

A handwritten signature in blue ink, reading "Thomas P. Skelly", is positioned above the printed name and title.

Thomas P. Skelly  
Director, Budget Service

Enclosure # 1: *Department of Education Detailed Accounting of Fiscal Year 2010 Drug Control Funds*, dated January 19, 2011

Enclosure # 2: Authentication letter from Keith West, Assistant Inspector General for Audit, dated January 31, 2011

cc: Keith West

# DEPARTMENT OF EDUCATION



## DETAILED ACCOUNTING OF FISCAL YEAR 2010 DRUG CONTROL FUNDS

IN SUPPORT OF THE  
*NATIONAL DRUG CONTROL STRATEGY*  
AS REQUIRED BY SECTION 705(d) OF THE OFFICE OF NATIONAL  
DRUG CONTROL POLICY REAUTHORIZATION ACT OF 1998  
(21 U.S.C. 1704(d))

JANUARY 19, 2011

**DEPARTMENT OF EDUCATION**  
**DETAILED ACCOUNTING OF FISCAL YEAR 2010 DRUG CONTROL FUNDS**

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UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF PLANNING, EVALUATION AND POLICY DEVELOPMENT

**JAN 19 2011**

Ms. Kathleen Tighe  
Inspector General  
U.S. Department of Education  
400 Maryland Avenue, S.W.  
Washington, DC 20202-1510

Dear Ms. Tighe:

As required by section 705(d) of the Office of National Drug Control Policy (ONDCP) Reauthorization Act of 1998 (21 U.S.C. 1704(d)), enclosed please find a detailed accounting of all fiscal year 2010 Department of Education drug control funds for your authentication, in accordance with the guidelines in ONDCP Circular *Drug Control Accounting*, dated May 1, 2007.

Consistent with the instructions in the ONDCP Circular, please provide your authentication to me in writing, and I will transmit it to ONDCP along with the enclosed accounting of funds. As you know, ONDCP requests these documents by February 1, 2011, if possible. Please do not hesitate to contact me if you have any questions about the enclosed information.

Sincerely,

Thomas P. Skelly  
Director, Budget Service



## TABLE OF PRIOR-YEAR DRUG CONTROL OBLIGATIONS

Fiscal Year 2010 Obligations  
(in \$ millions)

### Drug Resources by Function

Prevention	\$179.632
Total	179.632

### Drug Resources by Decision Unit

#### Safe and Drug-Free Schools and Communities Program

SDFSC State Grants	3.791
SDFSC National Programs	175.841
Total	179.632

## PROGRAM DESCRIPTIONS

The programs funded under the Safe and Drug-Free Schools and Communities (SDFSC) Act comprise the only Department of Education programs included in the national drug control budget in fiscal year 2010. The SDFSC program provides funding for drug prevention programs and activities that support the *National Drug Control Strategy*, in addition to efforts designed to prevent school violence. Under the SDFSC Act, funds are appropriated for State Grants and for National Programs.

### SDFSC State Grants

Under the program statute SDFSC State Grant funds are allocated by formula to States and Territories, half on the basis of school-aged population and half on the basis of each State's share, for the prior year, of Federal funds for "concentration grants to local educational agencies (LEAs) for improving the academic achievement of disadvantaged students" under section 1124A of Title I of the Elementary and Secondary Education Act (ESEA). Governors receive 20 percent, and State educational agencies (SEAs) 80 percent, of each State's allocation (unless a Governor elects to delegate administrative responsibility to the SEA for some or all of the 20 percent). SEAs are required to subgrant at least 93 percent of their allocations to LEAs; these subgrants are based 60 percent on LEA shares of prior-year funding under Part A of title I of the ESEA and 40 percent on enrollment. LEAs may use their SDFSC State Grant funds for a wide variety of activities to prevent or reduce violence and delinquency and the use, possession, and distribution of illegal drugs, and thereby foster a safe and drug-free learning environment that supports academic achievement. Governors may use their funds to award competitive grants and contracts to LEAs, community-based organizations, and other public and private organizations for activities to provide safe, orderly, and drug-free schools and communities through programs and activities that complement and support activities of LEAs.

Note: Funding for SDFSC State Grants was last appropriated in fiscal year 2009. The Department's 2009 appropriations act provided that the 2009 funds may remain available for obligation at the Federal level through September 30, 2010. All but \$3.8 million of the 2009 appropriation for SDFSC State Grants was obligated by the Department in 2009 and reported in the Department's 2009 detailed accounting of drug control funds. The \$3.8 million included in

the resource summary table of this report reflects the obligations incurred in fiscal year 2010 of the remaining 2009 appropriation of funds.

### **SDFSC National Programs**

SDFSC National Programs authorizes funding for several programs and activities to help promote safe and drug-free learning environments for students and address the needs of troubled or at-risk youth, including Federal Activities (a broad discretionary authority that permits the Secretary to carry out a wide variety of activities designed to prevent the illegal use of drugs and violence among, and promote safety and discipline for, students); and an Alcohol Abuse Reduction Program to assist school districts in implementing innovative and effective programs to reduce alcohol abuse in secondary schools. Within Federal Activities SDFSC National Programs also authorizes: (1) Project SERV (School Emergency Response to Violence, which is a crisis response program that provides education-related services to LEAs in which the learning environment has been disrupted due to a violent or traumatic crisis), and (2) School Emergency Preparedness initiatives. Although the Department obligated funds for both of these activities in fiscal year 2010, as explained in the discussion of drug budget methodology below, funds for these two components of SDFSC National Programs are not included in the ONDCP drug budget and, therefore, they are not included in this obligations report.

### **DISCLOSURES**

#### **Drug Methodology**

This accounting submission includes 100 percent of all fiscal year 2010 obligations of funds under the Safe and Drug-Free Schools and Communities (SDFSC) Act, with the exception of those SDFSC National Programs that have no clear drug control nexus. Accordingly, the amounts in the enclosed table of prior-year drug control obligations include 100 percent of funding for the SDFSC State Grants program, the SDFSC Alcohol Abuse Reduction program, and all other SDFSC National Programs, with the exclusion of obligations of funds for (1) Project SERV (School Emergency Response to Violence), (2) School Emergency Preparedness Initiatives, and (3) Character Education.

The explanation for excluding (3) Character Education is as follows. The Department's fiscal year 2010 appropriations act included language requiring the Department to use \$8.2 million of the 2010 appropriation for SDFSC National Programs to support Character Education activities. The Department used those funds to award continuation grants to Character Education grantees that were funded originally under the Character Education program. The Character Education program is separate from SDFSC National Programs and is not included among the Department's drug control programs.

#### **Obligations by Drug Control Function**

All obligations of funds for the SDFSC program shown in the table on page 2 of this report fall under the ONDCP drug control function category of prevention — the same functional category under which the budgetary resources for the SDFSC program are displayed for the Department of Education in the annual *National Drug Control Budget Summary* issued by ONDCP that accompanies the President's budget and in the *National Drug Control Strategy*.



### Obligations by Budget Decision Unit

All obligations of drug control funds in the table on page 2 of this report are displayed using the SDFSC program as the budget decision unit — the same decision unit under which the 2010 budgetary resources for the Department of Education are displayed by ONDCP in the *FY 2011 Budget Summary* that accompanied the 2011 President's budget in support of the *National Drug Control Strategy*.

### Methodology Modifications

The Department does not have any drug control budget methodological modifications to disclose.

### Material Weaknesses or Other Findings

The Department does not have any material weaknesses to disclose that affect the presentation of fiscal year 2010 drug-related obligations in this report. All other known weaknesses that affect the presentation of drug-related obligations in this report are explained in the disclosures below.

### Reprogrammings or Transfers

On three occasions in 2010 the Department reprogrammed small amounts of funds within SDFSC National Programs. However, these reprogrammings had no impact on (i.e., neither increased nor decreased) the amount of Education's 2010 drug-related obligations. There were no transfers that changed the amount of drug-related budgetary resources in the Department in fiscal year 2010.

### Other Disclosures

The Department acknowledges the following limitations in the methodology described above for deriving the obligations of fiscal year 2010 drug control funds attributable to the SDFSC program:

- Although the budgetary resources in this report include 100 percent of obligations for SDFSC State Grants and Federal Activities (exclusive of Project SERV, School Emergency Preparedness Initiatives, and continuation awards to Character Education program grantees), not all obligations of funds included in the resource summary of this report support drug prevention activities — some of these funds support violence prevention and school safety activities that have no drug control-related nexus.
- Approximately \$7.8 million of the SDFSC National Programs funds included in the resource summary of this report (4.4 percent of total fiscal year 2010 SDFSC reported drug control obligations) supported prevention projects for students enrolled in institutions of higher education; for college students served by such programs who are 21 years of age or older, alcohol is a legal drug and the alcohol prevention component of the program falls outside the scope of the *National Drug Control Strategy*.

## **ASSERTIONS**

### **Obligations by Decision Unit**

The fiscal year 2010 obligations of drug control funds shown in this report for the SDFSC drug budget decision unit are the actual 2010 obligations of funds from the Department's accounting system of record for the SDFSC program.

### **Drug Methodology**

The methodology used to calculate the fiscal year 2010 obligations of drug prevention funds presented in this report is reasonable and accurate, because: (1) the methodology captures all of the obligations of funds under the SDFSC program that reasonably have a drug control-related nexus, and (2) these obligations of funds correspond directly to the display of resources for the SDFSC program in the Department's budget justifications to Congress that accompany the President's budget.

### **Data**

No workload or other statistical information was applied in the methodology used to generate the fiscal year 2010 obligations of drug control funds presented in the table on page 2 of this report.

### **Other Estimation Methods**

Where assumptions based on professional judgment were used as part of the drug methodology, the association between these assumptions and the drug control obligations being estimated is thoroughly explained and documented in the drug methodology disclosure on page 3 and in the other disclosures on page 4 of this accounting report.

### **Financial Systems**

Financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations from which the drug-related obligation estimates are derived.

### **Application of Drug Methodology**

The methodology disclosed in the narrative of this report was the actual methodology used to generate the fiscal year 2010 obligations of drug control funds presented in the table on page 2.

### **Reprogrammings or Transfers**

The data presented in this report properly reflect changes in drug control budget resources resulting from reprogrammings of fiscal year 2010 SDFSC funds. On three occasions in 2010 (April 16, September 14, and September 29) the Department reprogrammed a small amount of funds within the SDFSC National Programs: the April 16 and September 14 reprogrammings exceeded \$1 million and were approved in advance by ONDCP, as required by law. The other reprogramming was less than \$1 million and was not subject to ONDCP approval.



### **Fund Control Notices**

The Director of ONDCP has never issued to the Department of Education any Fund Control Notices under 21 U.S.C. 1703(f) or the applicable ONDCP Circular, *Budget Execution*. Therefore, the required assertion that the data presented in this report accurately reflect obligations of drug control funds that comply with all such Fund Control Notices is not applicable.



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

AUDIT SERVICES

JAN 31 2011

Office of Inspector General's Independent Report on the U.S. Department of Education's  
Detailed Accounting of Fiscal Year 2010 Drug Control Funds, dated January 19, 2011

We have reviewed management's assertions contained in the accompanying *Detailed Accounting of Fiscal Year 2010 Drug Control Funds*, dated January 19, 2011 (Accounting). The U.S. Department of Education's management is responsible for the Accounting and the assertions contained therein.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

We performed review procedures on the "Table of Prior Year Drug Control Obligations," "Disclosures," and "Assertions" contained in the accompanying Accounting. We did not review the "Program Descriptions" contained in the accompanying Accounting. In general, our review procedures were limited to inquiries and analytical procedures appropriate for our review engagement.

Based on our review, nothing came to our attention that caused us to believe that management's assertions, contained in the accompanying Accounting, are not fairly stated in all material respects, based upon the Office of National Drug Control Policy Circular: *Drug Control Accounting*, dated May 1, 2007.

*Keith West*

Keith West  
Assistant Inspector General for Audit